

June 30, 2006  
Budget Work Session

Minutes

Members present

Brady Wooten- Chairman  
Allen Sneed- Vice- Chairman  
Leon Casstevens- Commissioner  
Kim Clark Phillips- Commissioner-absent  
D.C. Swaim- Commissioner

Others Present

Cecil E. Wood- County Manager

Chairman Wooten called the recessed meeting back to order.

Chairman Wooten presented the following statement and requested it be put in the minutes:

What can a property owner do to defend against ever-increasing assessed property values and tax rates?

Answer: Not much. You can protest all you like; you can take your wrath out on the tax assessor; but all this does is push your blood pressure into the stratosphere. The problem lies with a system of unfair tax laws and rules. North Carolina law allows a tax system with virtually no limit as to what counties can extract from you each year. It is a system that has no regard for the income of the property owner or his ability to pay.

Property taxes have become confiscatory. They destroy the right to own property—the cornerstone of a free society. Without real rights of property there is no freedom. That was one of the founding principles of our nation. Initially there were no property taxes because the founding fathers knew the ability to tax private property would give the government the power to confiscate private property.

Under our current system of taxing property, you can never truly own your property. How can "owners" truly believe they own their homes when they have to pay hundreds or thousands of dollars per year in property taxes for the privilege of living in their own houses? Just try not paying your taxes and you will soon find a new name on your deed.

The property tax differs from all other taxes we pay in that there is no practical limit as to how much your annual assessments can increase. The current Yadkin County tax rate including fire tax is over 75 cents plus-or-minus per \$100 of assessed value. The so-called "tax rate limit" of \$1.50 is so high that, if reached, it would bankrupt many people or force them to give up their homes.

Most taxes you pay are legally specified and predictable. If you earn a certain income, the federal law specifies what percentage you will pay. If you buy a car, you know in advance what the sales tax will be. No such rule applies to property taxes. You have no control over assessed values and very little control over the county "tax rates." You are, therefore, forever faced with exponentially increasing property taxes. Why should anyone be forced to give up a home for which he or she may have worked a lifetime in order to pay for excessive government spending programs that have little to do with providing property-related services?

Yadkin County is a prime example of the tax and spend philosophy. Inflation over the last four or five years has been running between 2 percent and 3 percent. Yet the county budget over that same period has INCREASED while county tax base is DECLINING! Why is it that we must live on a limited budget with limited pay increases while the government gets a blank check on our accounts? The answer is obvious. The reason county spending increases is because it can. Government has an insatiable appetite to keep growing. There is no lack of demand by special interest groups for programs that have nothing to do with police, fire, and libraries.

It is time for the people of Yadkin County and property owners. To get mad, and not take it anymore

**\*Chairman Wooten made the motion that all capital outlay will be used for capital outlay only, also add 4 cents of the fire tax to the general tax rate, but all fire departments will be fully funded and there will be an additional \$800,000 cut from the budget. Chairman Wooten asked the other Commissioners to add to the motion as they wished:**

Commissioner Sneed added to the motion to cut \$55,000 from the contingency fund and to hire no new employees.

**\*Commissioner Casstevens seconded. He also suggested that those employees who make more than \$40,000 would not get the 2% COLA.**

After a discussion with the manager Commissioner Casstevens decided not to ask for the reduction

Commissioner Swaim stated he is worried these cuts will get the county in such bad shape that it would take ten years to get out of this deception.

Chairman Wooten stated this is a 4 cent cut and the next Board can decide on new fire tax rates.

Commissioner Sneed stated this would protect us on the lottery distribution.

Chairman Wooten stated the Manager would do what he thinks is necessary.

Commissioner Sneed stated the schools and fire departments would not be included in the cuts.

Commissioner Sneed stated if a position has been vacant for the past six months then omit it from the budget.

The Board asked for a report on vacant positions.

Mr. Wood reviewed the Board's discussion stating the tax rate is to remain at 68 cents for the 06-07 budget year and that each fire department will be cut 4 cents from the requested amount but each department will receive full funding based on their requested tax rate with the general fund providing the difference for the 06-07 budget.

Commissioner Sneed made an amendment to the motion to take \$350,000 out of the capital reserve fund and take the remaining \$450,000 out of the budget.

**\*Commissioner Casstevens seconded and suggested the Manager work with the Department Heads to decide where the cuts are to come from.**

Commissioner Swaim pointed out that the residents of Jonesville would not receive the tax cut because they do not pay a fire tax. He questioned if that would be legal?

Chairman Wooten acknowledged the correction and asked Commissioner Swaim if he had any suggestions?

Commissioner Swaim stated no he just wanted to point that out.

Chairman Wooten withdrew his motion, Commissioner Casstevens withdrew his second and Commissioner Sneed withdrew his amendment.

**\*Commissioner Swaim made a motion to adopt the budget as presented with the \$70,000 of charges. Motion died; lack of second.**

Chairman Wooten stated he would like another opportunity to try to cut the tax rate.

**\*Commissioner Casstevens made a motion to cut \$500,000 out of the budget presented with the Manager and Department Heads to determine the cuts. Motion died; lack of second.**

Commissioner Sneed suggested making it \$400,000 in cuts.

**\*Commissioner Sneed made the motion to cut \$200,000 from 5D, one vehicle from the Sheriff, take the \$55,000 out of contingency, do two remounts for EMS, leave the \$73,000 in approves changes, and work on cutting an additional \$400,000. Motion died; due to lack of second.**

**\*Chairman Wooten made the motion to adopt an interim budget. Commissioner Swaim seconded. The Board voted 4-0.**

### **Adjournment**

**\*Commissioner Swaim made the motion to adjourn. Chairman Wooten seconded. The Board voted 3-1. Commissioner Sneed opposed.**

Melinda Vestal, Clerk to the Board